

EXECUTIVE SUMMARY

BACKGROUND

The Patent and Trademark Office (PTO) is an agency of the United States Department of Commerce responsible for issuing patents, registering trademarks, disseminating information, and administering the laws related to intellectual property. PTO's consolidation has been planned since 1989. This consolidation is necessary as PTO is currently dispersed among 18 buildings, creating operational inefficiencies. Significant growth in the number of patent and trademark applications filed over the past 10 years has created a need for greater space and technology to meet the agency's needs.

The General Services Administration (GSA) received congressional authorization in 1995 to competitively procure a long-term lease for PTO's consolidated space needs. GSA was specifically authorized to lease between 2,168,136 and 2,386,940 rentable square feet (yielding 1,989,116 occupiable square feet) of space, within Northern Virginia for a term of 20 years. The lease was subject to a maximum annual cost limitation of \$57,286,560, subject to escalation at 2.9 percent to the effective date of the lease.

SOLICITATION FOR OFFERS

On June 26, 1996, GSA issued a Solicitation for Offers (SFO) seeking lease proposals for PTO's consolidated space needs. The SFO set forth PTO's requirements for its consolidated space needs and required offerors, among other things, to provide a maximum of eight (8) buildings in an interconnected complex. The lease will be for a 20-year firm term with a 10-year lease extension option and purchase options at years 20 and 30.

For purposes of selecting a winning proposal, the SFO listed the factors that would be evaluated in making an award decision. Price was stated to be of significantly less importance than the combined weight of the technical factors listed in the SFO (quality of facility design, quality of site, qualifications of the interior architect, qualifications of the O&M firm). However, the SFO provided that price would become more important as the technical merit of proposals became more equal.

GSA incorporated its obligations under the National Environmental Policy Act (NEPA) into the procurement process. The SFO specifically provided that the Government's evaluation of best and final offers would include consideration of an offeror's ability and willingness to resolve impacts and implement mitigation measures identified in the Final Environmental Impact Statement (EIS) relative to the offeror's proposed site. A site with few or no impacts was considered superior. On the other hand, a site with numerous impacts, and for which an offeror has not demonstrated a willingness and ability to resolve such impacts, was considered poor.

ALTERNATIVES EXAMINED IN THE ENVIRONMENTAL IMPACT STATEMENT

The EIS considered three alternative sites for the PTO consolidation and the No Action Alternative. The three alternative sites considered in the EIS are the Crystal City site in Arlington, Virginia, and the Carlyle and Eisenhower Avenue sites in Alexandria, Virginia.

Crystal City Site: The Crystal City site consists of approximately 21 acres located within an existing development of offices, retail, and residential uses in Arlington County. The site includes Crystal Plaza buildings 2 through 4 and Crystal Park buildings 1 through 3. The proposed PTO campus on the Crystal City site would consist principally of six renovated existing office buildings and two new buildings separated by landscaped open space, surface parking, and roadways.

Carlyle Site: The Carlyle site is comprised of 15 acres located at Dulaney Street and Eisenhower Avenue between Elizabeth Lane and Carlyle Street in Alexandria, Virginia. The site consists of six parcels located within a planned urban mixed-use community. The proposed PTO complex at the Carlyle site would contain five office buildings and two parking garages flanking the east and west sides of the office buildings.

Eisenhower Avenue Site: The Eisenhower Avenue site is located at 2111 Eisenhower Avenue in Alexandria, Virginia. The site is comprised of three separate parcels, totaling approximately 16 acres, that are generally bordered by Telegraph Road to the west, Interstate 95/495 to the south, Mill Road to the east, and Pershing Avenue to the north. The PTO complex at the Eisenhower Avenue site would include six office buildings equally divided into two campuses on either side of the existing Eisenhower Avenue Metrorail station.

No Action Alternative: The No Action Alternative assumes that PTO remains in its existing buildings in the Crystal City area. This alternative also assumes that reasonably foreseeable development would occur on the other sites.

ENVIRONMENTALLY PREFERRED ALTERNATIVE

GSA evaluated the environmental consequences of each of the action alternatives, as well as the No Action Alternative. While the results of the EIS indicate that the No Action Alternative may involve the fewest impacts to environmental and historical resources, this alternative does not satisfy the purpose and need underlying the proposed action. Under this scenario, future growth of the PTO work force would exacerbate existing operational inefficiencies. To the extent that expansion space is not available when PTO needs it, patent and trademark production would be affected. Because the No Action Alternative would not improve operational efficiency of PTO's technical groups or meet the long-term housing needs of the agency as reflected in the SFO, it would not fulfill the purpose and need of the proposed action.

With respect to the Crystal City alternative, the Final EIS identifies potentially unavoidable adverse effects of this proposal on the George Washington Memorial Parkway, and that portion of the Parkway identified as the Mount Vernon Memorial Highway, a historical resource listed in the National Register of Historic Places. Based on the analysis in the Final EIS and the

objections to this proposal raised by the National Park Service in comments on the Draft and Final EIS, the adverse effects identified appear to be unavoidable.

With respect to the Carlyle and Eisenhower Avenue alternatives, the Final EIS identifies adverse effects on traffic at several intersections in the Eisenhower Valley. The adverse traffic impacts associated with the Carlyle and Eisenhower Avenue alternatives could be mitigated through appropriate roadway improvements. The offerors of these alternatives both proposed some mitigation measures as part of their BAFOs. The Draft and Final EIS also identified other roadway improvements related to other projects, including the Woodrow Wilson Bridge project, that are underway, planned or anticipated.

Of the action alternatives that would meet the purpose and need of this project, the Carlyle and Eisenhower Avenue alternatives are considered equally as environmentally preferable to the Crystal City alternative.

DECISION

Based on the evaluation criteria set forth in the SFO, the proposal submitted by LCOR Alexandria L.L.C., for development of the Carlyle site, has been selected for award. LCOR's proposal was found to have the highest rated technical proposal, and offered the lowest price. As a result, LCOR's proposal for development of the Carlyle site was determined to present the greatest overall value to the Government, consistent with the evaluation criteria stated in the SFO. In its BAFO, LCOR Alexandria, L.L.C., proposed several mitigation measures in response to the adverse effects in the Final EIS. Those mitigation measures are contained in the Record of Decision.